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C O N F I D E N T I A L UNVIE VIENNA 000020

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DEPT FOR IO/T AND ISN

SUBJECT: IAEA/IRAN: ELBARADEI SEES PROGRESS FROM TEHRAN TRIP

REF: UNVIE 0006 AND PREVIOUS

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b,d, h

1.(C) Summary: DG ElBaradei told the Ambassador January 14 that his weekend discussions in Tehran resulted in progress and agreement to resolve all outstanding issues within four The Iranians provided information on new generation centrifuges and allowed him to visit the P2 R&D facility. reported that Supreme Leader Khameni acknowledged the importance of AP implementation (if the nuclear file is moved back to the IAEA) but denied any military nuclear program, past or present. ElBaradei saw no movement on suspension. He described the Iranian leadership as open to negotiations, even suggesting that we expand U.S.-Iran-Iraq talks to include the nuclear issue, but also deeply suspicious of the West. ElBaradei also observed that a UNSCR prior to the March elections could strengthen hard-liners in Iran. Separately, the German Ambassador told us that FM Steinmeier is expected to meet with ElBaradei January 16-17 and will provide his P5 1 counterparts a readout prior to next week's meeting in Berlin. IAEA public comment on the Tehran visit was restrained. Full text of the IAEA press statement is in para 9. End Summary

## ElBaradei Sees Progress

12. (C) In a January 14 telcon with Ambassador Schulte, ElBaradei reported progress on outstanding issues and advised that the contamination issue was basically done. The Iranians agreed to address, over the next four weeks, military-related issues, including the weaponization studies, PHRC and Gachin mine. When asked about FM Mottaki's public statements postulating a March finish date, the DG confirmed the four-week timeframe, though he was very tentative in calling it a "deadline." ElBaradei described Iran as "more transparent" and reported that, "in a good step," he and Safeguards DDG Heinonen were allowed access to an R&D facility for new generation centrifuges. According to the DG, this was a new facility, not previously visited by the IAEA. (Note: We will confirm this with Heinonen.) It was small-scale, containing computers, equipment and rotors, and there was mechanical testing underway. The DG offered a personal assessment that Iran would not undertake industrial scale enrichment (i.e. beyond 3000 centrifuges) until new generation centrifuges were ready.

13. (C) The DG told Ambassador Schulte that he pushed his

Iranian interlocutors on provisional implementation of the Additional Protocol, and argued for suspension or a "freeze-for-a-freeze." Supreme Leader Khameni accepted the importance of the AP but said that it would only be applied if Iran's nuclear file were returned from the UNSC to the IAEA. ElBaradei assessed that progress on the AP was "conceivable" but there was no indication of any movement on suspension, which he attributed to a fundamental lack of trust.

- 14. (C) Overall, ElBaradei found the Iranian leadership open to negotiations, even offering to expand U.S.-Iran-Iraq talks to include the nuclear issue. He described Ayatollah Khameni as affable and well-briefed but suspicious of U.S. and Western motivations and readiness to conduct serious negotiations. The Supreme Leader insisted that Iran never had a weapons program. President Ahmadinejad was not at the meeting with Khameni, but ElBaradei saw no difference in their positions.
- 15. (C) ElBaradei also observed that the March 6 election would improve the internal situation in Iran with the expected election of a centrist Parliament. Unnamed "highly influential people" in Iran cautioned that a UNSC resolution in advance of the election would only strengthen the hand of the hard-liners. (Comment: ElBaradei continues to put much emphasis on internal political divisions in Iran.)

## Steinmeier to Vienna

16. (C) German Ambassador Gottwald advised DCM that Foreign Minister Frank-Walter Steinmeier will be in Vienna January 16-17 for meetings with ElBaradei and his team. Steinmeier is making this visit in order to be able to report first hand on ElBaradei's trip to P5 counterparts at the meeting the Germans are expecting to host the week following in Berlin.

## Public Line Muted

- 17. (SBU) IAEA public comment on Iran was limited. The DG's only interaction with the press while in Tehran was after meeting with AEOI Director Aghazadeh on Friday. ElBaradei was reported as saying that they discussed accelerating the pace of cooperation to clarify all outstanding issues before his March report to the Board. He reportedly described the talks as "frank and friendly" and asked for maximum transparency and assurances to clarify past and present issues. He hoped this would "provide an atmosphere to overcome the standoff between the P5 1 and Iran." An IAEA press statement issued upon the DG's return noted two developments: agreement on the four-week timeline for work plan implementation and information provided by Iran regarding new generation centrifuges. The statement also mentions discussion of AP implementation and other confidence building measures called for by the Security Council (full text in para 9). The Spokesperson's office indicted that there would not be further information.
- ¶8. (C) DCM spoke January 14 with IAEA spokeswoman Melissa Fleming, who confirmed that the Agency was working very hard to minimize public comment beyond the January 13 statement. Asked about the statement's reference to information on new generation centrifuges, she indicated that Heinonen had gotten "lots of detail" and was able to "see one of them." She added that the Iranians had passed information in a separate Heinonen meeting, not in discussions with ElBaradei. She conceded that Heinonen had been skeptical (as he was with us) about this recent trip, but noted EXPO Director Cserveny (who also made the trip) was very upbeat about prospects for resolving the outstanding issues.
- 19. (U) Text of IAEA press statement:
- Dr. Mohamed ElBaradei, IAEA Director General, accompanied by

Mr. Olli Heinonen, Deputy Director General for Safeguards and Mr. Vilmos Cserveny, Director for External Relations and Policy Coordination, visited Teheran from January 11 to 12, 12008.

During meetings with senior officials, that included meetings with Supreme Leader Ayatollah Ali Khameni and President Mahmoud Ahmadinejad, discussions took place on ways and means to accelerate implementation of safeguards in Iran as well as additional confidence building measures. While progress in the implementation of the work plan agreed between the IAEA Secretariat and Iran in August 2007 was noted, an agreement

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was reached on the time-line for implementation of all the remaining verification issues specified in the work plan. According to the agreed schedule implementation of the work plan should be complete in the next four weeks.

During the visit discussion also took place on the importance of the implementation of the Additional Protocol as well as on other confidence building measures called for by the Security Council. Furthermore, Iran also provided information on its research and development activities on a new generation of centrifuges.

End text. SCHULTE